



Axita Cotton Limited

Mfg. & Exporter of Cotton

CIN No. : L17200GJ2013PLC076059
GST IN : 24AALCA8092L1Z6
PAN : AALCA8092L

Reg. Office : Servey No. 324, 357, 358, Kadi Thol Road, Borisana Kadi,
Mahesana-382715. Gujarat. India
Tele : +91 6358747514 | E-mail : cs@axitacotton.com | Website : www.axitacotton.com

ISO 9001:2015
CERTIFIED

Date: September 01, 2020

To,
Department of Corporate Service
BSE Limited
Phiroze Jeejeebhoy Tower
Dalal Street,
Mumbai-400 001.

Ref: Axita Cotton Limited (Security Code/Security Id: 542285/AXITA).

Respected Sir/Madam,

Sub: Reply to Discrepancies in Financial Results.

This is regarding your email received dated August 26, 2020, bearing the subject 'Discrepancies in Standalone Financial Results'. With respect to Discrepancies raised by you, we are giving our answer as below:

Discrepancy: Bifurcation of Trade payable not Provided as per accounting standard Division I Format

Reply: We are hereby giving Trade payable bifurcation as per accounting standard division I Format and uploading the same after this correction.

Please pay attention that we had already submitted trade payable bifurcation in XBRL Format filled earlier so need to file XBRL file again for this Discrepancy purpose.

Please take note of the same and disseminate the same on your website and oblige us.

Thanking you
For, Axita Cotton Limited


Kushal Nitinbhai Patel
Managing Director
DIN: 06626639





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Statement of Audited Results for the year ended March 31, 2020 of Axita Cotton Limited

Particulars	Amount in Rs. Lakhs				
	Half year ended			Year Ended	
	31.03.2020 (Audited)	30.9.2019 (Unaudited)	31.03.2019 (Audited)	31.03.2020 (Audited)	31.03.2019 (Audited)
1. Income from Operations					
(a) Net Sales/Income from Operations (Net of GST)	41,132.70	7,308.68	15,858.36	48,441.38	21,179.84
(b) Other Income	-228.80	242.05	135.94	13.25	232.53
Total income from Operations (net)	40,903.90	7,550.73	15,994.30	48,454.63	21,412.37
2. Expenses					
(a) Cost of Materials consumed	6,906.95	1,879.80	5,815.48	8,786.75	6,657.72
(b) Purchase of stock-in-trade	32,055.00	4,727.55	10,104.94	36,782.55	14,056.25
(c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	-157.54	453.88	-473.69	296.34	-282.35
(d) Employee benefits expense	102.64	88.01	67.94	190.65	123.53
(e) Finance Costs	251.16	44.13	92.20	295.29	179.67
(f) Depreciation and amortisation expense	27.16	25.71	28.25	52.87	56.50
(g) Other expenses	1,676.02	320.40	307.49	1,996.42	552.01
Total Expenses	40,861.38	7,539.48	15,942.61	48,400.86	21,343.33
3. Profit / (Loss) before exceptional and extraordinary items and tax (1 - 2)	42.53	11.24	51.69	53.77	69.04
4. Exceptional Items	-	-	-	-	-
5. Profit / (Loss) before extraordinary items and tax (3 + 4)	42.53	11.24	51.69	53.77	69.04
6. Extraordinary items	-	-	-	-	-
7. Profit / (Loss) before tax (5 - 6)	42.53	11.24	51.69	53.77	69.04
8. Tax expense					
Current Tax	16.52	4.35	12.74	20.87	25.47
Deferred Tax	2.42	-	1.28	2.42	2.57
9. Profit/ (Loss) for the period from continuing operations (7-8)	28.44	6.88	40.23	35.32	46.14
10. Profit/ (Loss) from discontinuing operations	-	-	-	-	-
11. Tax Expense of discontinuing operations	-	-	-	-	-
12. Profit/ (Loss) from discontinuing operations (after taxes) (10-11)	-	-	-	-	-
13. Profit/(Loss) for the period (9+12)	28.44	6.88	40.23	35.32	46.14
14. Earnings Per Share					
Face Value of Rs.10/- each) (not annualised):					
(a) Basic	0.32	0.11	0.72	0.43	1.13
(b) Diluted	0.32	0.11	0.72	0.43	1.13
See accompanying note to the Financial Results					

NOTES:

- The above Results have been reviewed by the Audit Committee and approved by the Board of Directors of the Company at its Meeting held on 28th July, 2020. The figures for the Half year and Year ended 31st March, 2020 have been subjected to limited review by the statutory auditors. The Auditors have expressed an unqualified opinion on the limited review report for the half year and Year ended 31st March, 2020.
- This Statement has been prepared in accordance with the Companies (Accounting Standards) Rules, 2006 (AS), prescribed under section 133 of the Companies Act, 2013, and other recognized accounting practices and policies to the extent applicable.
- The figures have been regrouped /reclassified, wherever necessary.
- The Disclosure is as per Regulation 33 of SEBI (Listing Obligations & Discloser Requirements) Regulations, 2015.
- The Company is operating in single segment, hence AS-17, "Segment Reporting" is not applicable.

Place: Kadi
Date: 28/07/2020

For, Axita Cotton Limited


Kushal Patel
Managing Director
DIN: 06626639





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Notes:

1. The above financial results reviewed by the Audit Committee and approved by the Board of Directors of the company in their respective meetings held on July 28, 2020.
2. These financial results have been prepared in accordance with Accounting Standards ('AS') prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and in terms of the Regulation 33 of the SEBI (Listing Obligation and Disclosures Requirements) Regulations, 2015 (the "Listing Regulations"), as modified by Circular dated July 5, 2016.
3. The figures for the half year ended March 31, 2020 and the corresponding half year ended in the previous year as reported in attached financial results are the balancing figures between the audited figures in respect of full financial year and the published year to date figures up to the end of the third quarter of the financial year.
4. During the period there was issue of new shares by way of bonus issue.
5. Figures relating to previous half year/ year have been regrouped/ rearranged, whenever necessary to make them comparable to current period's figures.
6. In line with the requirements of Regulation 33 and 52 (4) of Listing Regulations, the results for the quarter and year ended March 31, 2020 are available on the website of BSE Limited ([URL:www.bseindia.com](http://www.bseindia.com)), and on website of the company ([URL: http://www.axitacotton.com/](http://www.axitacotton.com/))
7. Due to outbreak of COVID-19 globally and in india, the company's management has made initial assessment of likely adverse impact on business and financial risks, and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the company's ability to continue as a going concern and meeting its liabilities as and when they fall due. The management expects to recover the carrying amount of all the assets and revenue recognized. There will be a close monitoring of the impact of the pandemic on the future economic conditions.

For, Axita Cotton Limited


Kushal Patel
Managing Director
DIN: 06626639



Date: July 28, 2020
Place: Kadi



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Statement of Assets and Liabilities for Year ended March 31, 2020 of Axita cotton Limited

Amount in Rs. lakhs

Standalone Statement of Assets and Liabilities	As at 31/03/2020	As at 31/03/2019*
Particulars		
A EQUITY AND LIABILITIES		
1 Shareholders' funds		
(a) Share capital	1,310.40	655.20
(b) Reserves and surplus	498.22	1,124.85
(c) Money received against share warrants	-	-
Sub-total - Shareholders' funds	1,808.62	1,780.05
2. Share application money pending allotment		
3. Non-current liabilities		
(a) Long-term borrowings	-	35.00
(b) Deferred tax liabilities (net)	-	-
(c) Other long-term liabilities	-	-
(d) Long-term provisions	-	-
Sub-total - Non-current liabilities	-	35.00
4. Current liabilities		
(a) Short-term borrowings	1,412.74	1,448.20
(b) Trade payables	2,658.84	326.92
i) Total outstanding dues of Micro and Small Enterprises	32.24	31.68
ii) Total outstanding dues of others	2,626.60	295.24
(c) Other current liabilities	118.17	127.61
(d) Short-term provisions	432.94	109.44
Sub-total - Current liabilities	4,622.69	2,012.17
TOTAL - EQUITY AND LIABILITIES	6,431.31	3,827.22
B ASSETS		
1. Non-current assets		
(a) Property, Plant and Equipment		
(i) Tangible Assets	340.30	380.57
(ii) Intangible Assets	-	-
(iii) Capital Work in Progress	-	-
(iv) Intangible Asset under Development	-	-
(b) Non-current investments	-	-
(c) Deferred tax assets (net)	9.13	6.71
(d) Long-term loans and advances	-	-
(e) Other non-current assets	-	7.07
Sub-total - Non-current assets	349.43	394.35
2 Current assets		
(a) Current investments	-	-
(b) Inventories	540.68	991.40
(c) Trade receivables	4,076.01	1,043.36
(d) Cash and cash equivalents	306.39	58.78
(e) Short-term loans and advances	170.35	930.66
(f) Other current assets	988.46	408.67
Sub-total - Current assets	6,081.89	3,432.87
Total -Assets	6,431.31	3,827.22
Contingent Liability	5,728.13	

* Previous Year's figures have been regrouped / reclassified wherever necessary to correspond with current year's classification / disclosure.

For, Axita Cotton Limited



Kushal Patel

Kushal Patel
Managing Director
DIN: 06626639

Place: Kadi
Date: 28/07/2020



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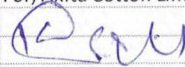
Audited Statement of Cash Flows for Year Ended March 31, 2020 of Axita Cotton Limited

		Amount in Rs. lakhs	
Sr.No.	Particulars	Year Ended 31/3/2020	Year Ended 31/03/2019
1	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit (Loss) As per Profit & Loss Account	35.32	46.14
A.	Tax and Extra-Ordinary Item		
a)	Amt Transferred to Reserve	-6.75	-12.61
b)	Income Tax	20.87	25.47
c)	Deferred Tax	-2.42	2.57
	Net Profit (Loss) before tax	47.02	56.43
B.	Adjustments for Non cash and Non Operating Items		
a)	Depreciation	52.87	56.50
b)	Credit written off	0.00	0.00
c)	Preliminary expenses written off	7.07	0.79
d)	Interest Expense	295.29	179.66
e)	Provision Created for the year	418.72	0.00
f)	Interest Income	-1.50	-1.96
	Operating profit(loss) before working capital changes	819.46	291.42
C.	Changes in Working Capital		
a)	Decrease/(Increase) in Inventory	450.72	-360.98
b)	Decrease/(Increase) in Trade Receivables	-2971.51	22.33
c)	Decrease/(Increase) in Other Current Assets	-579.79	-407.54
d)	Decrease/(Increase) in Short Term Loans and Advances	760.31	-836.86
e)	Payment of Short Term Provisions	0.00	72.70
f)	(Decrease)/Increase in Trade Payables	2331.93	304.39
g)	(Decrease)/Increase in Other Current liabilities	-72.41	-60.06
h)	(Decrease)/Increase in Short Term Borrowings	-35.46	-85.56
	Net Cash Flow before tax and extra ordinary item	610.25	-1060.17
	Less: Direct Taxes Paid	21.26	58.73
	Less: Extraordinary Items	0.00	0.00
	Net Cash Flow from Operating Activities	588.99	-1118.90
2	CASH FLOW FROM INVESTING ACTIVITIES:		
a)	Acquisition of Fixed Assets	-12.59	-18.89
b)	Capital Gain Income	0.00	0.00
c)	Change in DTA	0.00	0.00
d)	Interest Income	1.50	1.96
	Net Cash Flow from Investing Activities	-11.08	-16.93
3	CASH FLOW FROM FINANCING ACTIVITIES:		
a)	Long Term Borrowing Repaid	-35.00	-67.62
b)	Interest and finance cost	-295.29	-179.66
c)	Shares Issued	0.00	1396.20
d)	Share Issue Expenses	0.00	0.00
	Net Cash Flow from Financing Activities	-330.29	1148.92
	Net Increase in Cash and Equivalent.	247.61	13.09
	Cash And Cash Equivalents as at the Beginning of the year	58.78	45.69
	Cash And Cash Equivalents as at the Closing of the year	306.39	58.78

Place: Kadi
Date: 28/07/2020



For, Axita Cotton Limited


Kushal Patel
Managing Director



Mistry

Shah
LLP

Chartered Accountants

Formerly know as Mistry & Shah,
Converted to LLP Wide LLP In: AAS-3892

INDEPENDENT AUDITOR'S REPORT

To the Members of Axita Cotton Limited

Report on the Audit of the Financial Statements for the year ended 31st March, 2020

Opinion

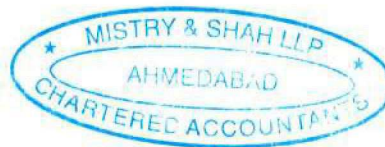
We have audited the accompanying statement of half yearly and year to date standalone financial results of Axita Cotton Limited (the "Company") for the half year ended March 31, 2020 and for the year ended March 31, 2020 (the "Statement"), attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit, other comprehensive income and other financial information of the Company for the quarter and year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules



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67, New Market Yard, Mansa, Dist. Gandhinagar - 382 845. Ph. : +91 - 2763 -270205.

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Shah
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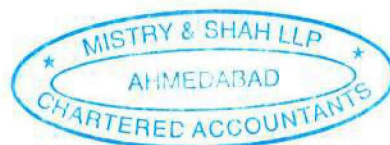
there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's responsibilities for the Statement

This Statement which includes the Standalone Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Standalone Financial Results for the year ended March 31, 2020 has been compiled from the related unaudited standalone interim financial information. This responsibility includes the preparation and presentation of the Standalone Financial Results for the half year and year ended March 31, 2020 that give a true and fair view of the net loss after tax / net profit after tax, respectively and total other comprehensive loss and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Standalone Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Standalone Financial Results, the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Director are also responsible for overseeing the financial reporting process of the company.



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URL | www.mistryandshah.com ◆ Email | info@mistryandshah.com



Mistry

Shah
LLP

Chartered Accountants

Formerly know as Mistry & Shah,
Converted to LLP Wide LLP In: AAS-3892

Auditor's Responsibilities for the Audit of the Statement

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the Statement.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of the internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the act, we are also responsible for explaining our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our



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auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- **Materiality**

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

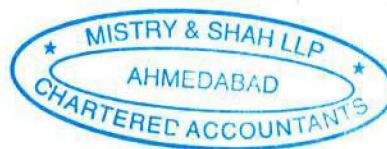
- **Communication with Management**

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other matter

- We draw attention to Note no. 7 of the financial results, which describes that based on current indicators of future economic conditions, the Company expects to recover the carrying amount of all its assets & revenue recognized. The impact of the COVID-19 pandemic may be different from that estimated as at the date of approval of these financial results and the Company will continue to closely





Mistry **Shah**
LLP
Chartered Accountants

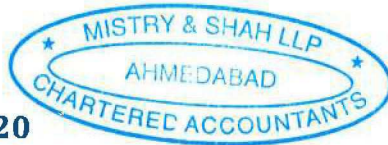
Formerly known as Mistry & Shah,
Converted to LLP Wide LLP In: AAS-3892

monitor any material changes to future economic conditions. Our opinion is not modified in respect of this matter.

Due to COVID-19 related lockdown, we were unable to observe the Management's year end physical verification of inventory. We have performed alternate audit procedures to audit the existence of inventory as per the guidance provided in SA-501 "Audit Evidence-Specific Considerations for Selected Items", which includes inspection of supporting documentation relating to purchases, production, sales, results and cyclical count performed by management through the year and such other third party evidences where applicable, and have obtained sufficient appropriate audit evidence to issue our unmodified opinion on these Standalone Financial Results.

Our report is not modified in any of the above matters.

- The Statement includes the results for the Half Year ended March 31, 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report on the Statement is not modified in respect of this matter.



Date: July 28, 2020
Place: Ahmedabad
UDIN: 20117101AAAACN7619

For Mistry & Shah LLP
Chartered Accountants
F.R.N: - 122702W

M. H. Shah
Malav Shah
Partner
M.NO. 117101



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Date: July 28, 2020

To,
Department of Corporate Service
BSE Limited
Phiroze Jeejeebhoy Tower
Dalal Street,
Mumbai-400 001.

Ref: Axita Cotton Limited (Security Code/Security Id: 542285/AXITA).

Respected Sir/Madam,

Sub: Declaration pursuant to Regulation 33(3)(d) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

In compliance with Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) (Amendment) Regulations, 2016, vide notification no. SEBI/LAD-NRO/GN/2016-17/001 dated May 25, 2016 and circular no. CIR/CFD/CMD/56/2016 dated May 27, 2016, we hereby declare that the Statutory Auditors of the Company, M/s. Mistry & Shah, Chartered Accountants have issued an Audit Report with unmodified opinion on the Audited Financial Results of the Company for the half-year and year ended on March 31, 2020.

Please take note of the same.

For, Axita Cotton Limited

Kushal Nitinbhai Patel
Managing Director
DIN: 06626639

